

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 729 - SB 689**

March 4, 2011

**SUMMARY OF BILL:** Reduces, from \$10,000 to \$5,000, the maximum civil penalty that can be levied by the Tennessee Regulatory Authority (TRA) for natural gas pipeline safety violations.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – According to the Tennessee Regulatory Authority, enactment of this bill would jeopardize \$400,000 of federal grant funding used for the purpose of enforcing the Natural Gas Pipeline Safety Act.**

**Assumptions:**

- According to TRA, there has only been one civil penalty assessment since August 2005. As a result, any decrease in penalty revenue will be not significant.
- According to TRA, a reduction to the maximum civil penalty could bring Tennessee further out of compliance with the federal Natural Gas Pipeline Safety Act (NGPSA). TRA indicates that the maximum civil penalty authorized under current state law is significantly lower than what is required under the NGPSA. The Authority currently receives federal grant funding of \$400,000 per year to enforce NGPSA. Subsequent acts of non-compliance could increase the potential for the state to lose all or part of this federal grant funding.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/rnc